



**Carlos Jackson**  
Executive Director

## **COMMUNITY DEVELOPMENT COMMISSION**

### **County of Los Angeles**

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*Commissioners*

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October 28, 2003

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING AUTHORIZING SOUTHERN CALIFORNIA  
HOME FINANCING AUTHORITY TO ISSUE SINGLE FAMILY BONDS  
(ALL DISTRICTS)  
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:**

1. Adopt and instruct the Chair to sign a Resolution approving the issuance, sale and delivery of one or more series of single family mortgage revenue bonds by the Southern California Home Financing Authority (the Authority), in an aggregate principal amount not to exceed \$800,000,000, over a three-year period, to provide financing for the First Time Homebuyers Program.
2. Authorize the Executive Director of the Community Development Commission to execute all documents necessary to ensure the issuance of the single family mortgage revenue bonds by the Authority, following approval as to form by County Counsel.
3. Authorize the Executive Director of the Community Development Commission to apply from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee (CDLAC) to obtain private activity bond allocations for the bonds to be issued by the Authority.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to conduct a public hearing to authorize the issuance of single family mortgage revenue bonds by the Authority, a joint powers authority of Los Angeles and Orange Counties, to provide financing for the First Time Homebuyers Program.

**FISCAL IMPACT/FINANCING:**

No County costs will be incurred for the issuance of the bonds.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Since 1982, the Commission has administered the First Time Homebuyers Program, under which single-family mortgage revenue bonds have been issued to provide below market, fixed rate loans to eligible first-time homebuyers. Over \$1.4 billion in long-term bonds for home mortgages have been issued through the program, providing financing for over 14,800 homes. In addition, the Authority issues short-term bonds that preserve future allocations for issuance of long-term bonds. The short-term bonds also count against the reserved issue amount of \$800,000,000.

Under the First Time Homebuyers Program, the maximum income limits for eligible Los Angeles County homebuyers range from \$67,680 for a family size of one to two persons, which is 120 percent of the area median income, to \$78,960 for a family size of three or more persons, which is 140 percent of the area median income. However, over one-half of the loans are typically made to homebuyers earning between 80 and 90 percent of the area median income, which complies with state and federal requirements. The Commission also provides incentives to assist low-income households with home purchases, including down payment and closing cost assistance.

In 1988, your Board authorized the formation of the Authority. Since that time, the Authority has issued 34 series of bonds. The attached Resolution authorizes the Authority to issue single family mortgage revenue bonds in one or more series, prior to October 28, 2006, for the above program.

The proposed issuance of the bonds will be conducted in accordance with the Internal Revenue Code of 1986 and Part 5 of Division 31 of the Health and Safety Code of the State of California. Section 147(f) of the Internal Revenue Code of 1986 requires that a notice of the public hearing be published once in a publication of general circulation, at least 14 days prior to the public hearing date. The notice for the public hearing was published in the Los Angeles Times on October 10, 2003.

The Resolution has been approved as to form by County Counsel.

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**IMPACT ON CURRENT SERVICES:**

The requested action will permit the issuance of single family mortgage revenue bonds by the Authority to provide financing for the First Time Homebuyers Program.

Respectfully submitted,

CARLOS JACKSON  
Executive Director

Attachment: 1

**RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF LOS ANGELES  
AS THE APPLICABLE ELECTED REPRESENTATIVE  
APPROVING THE ISSUANCE OF \$800,000,000 OF  
SOUTHERN CALIFORNIA HOME FINANCING AUTHORITY  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
OVER A THREE-YEAR PERIOD**

WHEREAS, the Southern California Home Financing Authority (the “Authority”), a joint powers authority, of which the County of Los Angeles (the “County”) is a member, is engaging in a home mortgage financing program within the jurisdiction of the Authority (including for such purpose the County) by providing mortgages to qualifying mortgagors for such purpose (the “Program”), pursuant to Chapters 1-5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”); and

WHEREAS, the Authority expects to issue several series of single family mortgage revenue bonds (the “Bonds”) under the Program pursuant to a plan of financing home mortgage loans made to qualified persons and families who purchase homes located within the jurisdiction of the Authority (the “Plan of Financing”); and

WHEREAS, this Board of Supervisors (the “Board”) hereby finds and determines that it is in the best interest of the County to participate in the Program in conjunction with the Authority in order to increase the supply of housing available to qualified, first time homebuyers in the County.; and

WHEREAS, this Board hereby finds and determines that the Program complies with the land use element and the housing element required to be included in the general plan of the County by Section 65302 of the Government Code of the State of California; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing will be “private activity bonds” for purposes of the Internal Revenue Code of 1986 (the “Code”); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing are to be issued by the Authority on behalf of the County and the other member of the Authority, and the financing of home mortgages for homes located in the County will be provided from the proceeds of the Bonds; and

WHEREAS, this Board has caused to be published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the County, a notice that a public hearing

would be held on this date regarding the proposed issuance of the Bonds pursuant to the Plan of Financing and the nature and location of the Program; and

WHEREAS, this Board has conducted a public hearing on this date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds pursuant to the Plan of Financing and the nature and location of the Program; and

WHEREAS, the members of this Board are the applicable elected representatives of the County; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law;

NOW, THEREFORE, BE IT RESOLVED, that this Board does hereby FIND, DETERMINE, RESOLVE AND ORDER as follows:

**Section 1.** The above recitals are true and correct.

**Section 2.** As the applicable elected representative of the County pursuant to Section 147(f) of the Code, this Board hereby approves the issuance by the Authority of the Bonds in one or more series pursuant to the Plan of Financing in an aggregate principal amount not to exceed \$800,000,000 to provide funds for the Program; provided (a) that the first series of Bonds issued pursuant to the Plan of Financing is issued no later than one year after the date of this Resolution and (b) that the last series of Bonds issued pursuant to the Plan of Financing is issued no later than three years after the date of the Resolution. It is the purpose and intent of this Board that this Resolution constitutes approval of the issuance by the Authority of the Bonds by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued.

**Section 3.** This Board hereby authorizes the Executive Director of the Community Development Commission, or such officer's designee, to execute applications from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee in connection with obtaining allocations of private activity volume cap for the Bonds approved by this Resolution.

**Section 4.** This Board hereby authorizes the use of any funds made available by the issuance of the Bonds to provide for any Program purpose as may be permitted by any indenture, purchase agreement, origination, purchase, pooling and servicing agreement, origination agreement, developer agreement, locality agreement, compliance agent agreement or any other document relating to the Bonds.

**Section 5.** The officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution or the issuance of the Bonds pursuant to the Plan of Financing, and all actions previously taken by the officers and employees of the County are hereby ratified and approved.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles,  
State of California, this 28<sup>th</sup> day of October, 2003.

By \_\_\_\_\_  
Chair of the Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk  
of the Board of Supervisors

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
Deputy